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VIA FEDERAL EXPRESS

June 10, 2019

Honorable Pamela K. Chen
Judge, District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

RE: United States v. Jose Hawilla, Traffic Sports USA Inc., and Traffic Sports
International Inc.
Docket No.: 14-CR-609 (PKC)

Dear Judge Chen:

Please accept this letter memorandum in response to the United States Attorney's May 29th letter opposition to the request for restitution filed by Innovative Sports Marketing.

We believe that the United States Attorney has viewed the statute, 18 USC sec. 3663(a)(1)A, far too narrowly with respect to the victims who are entitled to restitution. The case cited by the government, **United States v. Reifler**, 446 F.3d 65 (2d Cir. 2006) concerned a specific conspiracy to artificially inflate the price of a publicly traded stock in order to permit one of the conspirators to sell his shares at a profit. The court found that the losses by the parties seeking restitution was not attributable to the conspiracy.

However, in the instant case, in addition to charges for conspiracy, wire fraud, money laundering and obstruction of justice, Traffic was also alleged to have participated in a "pattern of racketeering activity and "multiple acts involving bribery." See *United States v. Hawilla*, Information, pages 52 and 53, annexed hereto.

The restitution statute provides that a "victim" includes a person directly and proximately harmed as a result of criminal conduct in the course of a "pattern of criminal activity."

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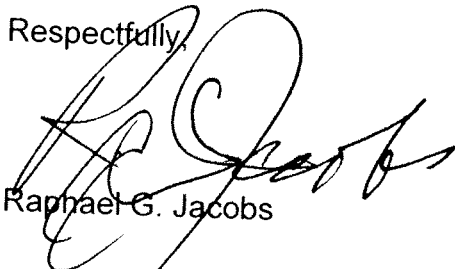
US v Hawilla, et al.

During Chuck Blazer's guilty plea hearing, he acknowledged that he had accepted bribes and kickbacks for broadcast rights beginning in 1993 and continuing through the early 2000s. He specifically mentioned rights to games in 1996, 1998, 2000, 2002 and 2003. See *United States v. Blazer*, Sealed Proceedings, T31-1 through 4, annexed hereto. These were the exact same dates alleged in the information filed against Traffic. See *United States v. Hawilla*, pages 43 and 44, par 96 and 97. Thus, this pattern of bribery of Blazer by Traffic was ongoing during the time period that Innovative Sports Marketing was seeking the broadcast rights to the Concacaf Olympic Qualifying tournament.

While the broadcast rights to the Olympic Qualifying matches were not specifically mentioned in the charges against Traffic, there is little doubt that Traffic's securing of those rights were based on a bribery paid to Chuck Blazer as part of the pattern of criminal activity described in Count One (Racketeering Conspiracy) of the Information filed against Traffic. "Victim restitution may be ordered for criminal conduct that is part of a broad scheme to defraud, without regard to whether the defendant is convicted for each fraudulent act in the scheme...." **United States v. Ross**, 279 F.3d 600, 609 (8th Cir.2002) In **United States v. Johnson**, 440 F.3d 832, 850 (6th Cir. 2006) the Court noted that the "district court could therefore award restitution to any victim harmed by the defendant's criminal conduct in the course of the RICO activity." See also, Innovative Sports Marketing Victim Statement previously filed.

For the reasons set forth above, this Court should recognize Innovative Sports Marketing as a victim entitled to restitution for the loss sustained as a direct result of Traffic's pattern of criminal activity.

Respectfully,



Raphael G. Jacobs

RGJ/tp

Encl.

cc: Mr. Samuel Nitze (USANYE), via email
Mr. Douglas Jacobs (ISM), via email

DSS:EMN/AH/DAL/SPN/BDM
F.#2014R00190

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- - - - -X

UNITED STATES OF AMERICA

I N F O R M A T I O N

- against -

JOSÉ HAWILLA,
TRAFFIC SPORTS USA, INC., and
TRAFFIC SPORTS INTERNATIONAL, INC.,

Defendants.

Cr. No. 14-609 (RJD)
(T. 18, U.S.C., §§
981(a)(1)(C), 982(a)(1),
982(b), 1349, 1512(b)(3),
1512(c)(2), 1956(h),
1962(d), 1963, 1963(a),
1963(m) and 3551 et seq.;
T. 21, U.S.C., § 853(p);
T. 28, U.S.C. § 2461(c))

- - - - -X

THE UNITED STATES ATTORNEY CHARGES:

INTRODUCTION TO ALL COUNTS

At all times relevant to this Information, unless
otherwise indicated:

I. The Enterprise

1. The Fédération Internationale de Football
Association ("FIFA") and its six constituent continental
confederations - the Confederation of North, Central American
and Caribbean Association Football ("CONCACAF"), the
Confederación Sudamericana de Fútbol ("CONMEBOL"), the Union des
Associations Européennes de Football ("UEFA"), the Confédération
Africaine de Football ("CAF"), the Asian Football Confederation
("AFC"), and the Oceania Football Confederation ("OFC") -

due on or about April 3, 2014. International wire transfer records confirm the payment:

<u>DATE</u>	<u>WIRE COMMUNICATION</u>
April 1, 2014	Wire transfer of \$6,999,950 from Datisa's account at Banco Hapoalim Ltd. in Zurich, Switzerland, to a JP Morgan Chase account in Miami, Florida in the name of CONCACAF.

B. CONCACAF Gold Cup Bribery Scheme

95. In or about 1991, CONCACAF began organizing and promoting the Gold Cup, a tournament featuring member nations of CONCACAF and, in later years, those of other confederations.

96. In or about 1992, HAWILLA relocated to the United States for various reasons, including to seek additional business opportunities for Traffic's United States affiliate in the period leading up to the 1994 World Cup. During this period, HAWILLA and Co-Conspirator #10, a TRAFFIC USA executive based in Miami, variously began negotiations with high-ranking CONCACAF officials, including Co-Conspirator #11 and Co-Conspirator #12, for TRAFFIC USA to purchase the media and marketing rights associated with the Gold Cup. HAWILLA's pitch to CONCACAF, in sum and substance, was that Traffic could replicate the commercial and sporting success it had had with the Copa América and make the Gold Cup a similar success. On or about October 3, 1994, TRAFFIC USA entered into a contract with

CONCACAF for \$9,750,000 for the commercial rights associated with the 1996, 1998, and 2000 editions of the Gold Cup.

97. Beginning with the 1996 Gold Cup and continuing for four subsequent editions of the tournament (1998, 2000, 2002, and 2003), pursuant to the contract with TRAFFIC USA (as subsequently amended and renewed following additional negotiations), CONCACAF granted to TRAFFIC USA the exclusive worldwide commercial rights to the Gold Cup.

98. During this period, HAWILLA and Co-Conspirator #10 together caused hundreds of thousands of dollars in bribe payments to be made to Co-Conspirator #11 and Co-Conspirator #12.

99. Traffic did not hold the media and marketing rights associated with the Gold Cup for the 2005, 2007, 2009, and 2011 editions.

100. In 2011, Co-Conspirator #11 and Co-Conspirator #12 resigned from CONCACAF and were ultimately replaced the following year by two other high-ranking officials, Co-Conspirator #8 and Co-Conspirator #9.

101. Co-Conspirator #9, the former employee of TRAFFIC USA, entered into negotiations with TRAFFIC USA for the commercial rights associated with the 2013 Gold Cup. Co-Conspirator #7 was involved in those negotiations on behalf of

schemes was made to the FIFA or CONCACAF executive committee or congress.

COUNT ONE
(Racketeering Conspiracy)

121. The allegations contained in paragraphs 1 through 120 are realleged and incorporated as if fully set forth in this paragraph.

122. In or about and between January 1991 and the present, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant JOSÉ HAWILLA, together with others, being a person employed by and associated with the enterprise, which engaged in, and the activities of which affected, interstate and foreign commerce, did knowingly and intentionally conspire to violate Title 18, United States Code, Section 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of such enterprise through a pattern of racketeering activity, as defined in Title 18, United States Code, Sections 1961(1) and 1961(5).

123. The pattern of racketeering activity through which the defendant JOSÉ HAWILLA, together with others, agreed to conduct and participate, directly and indirectly, in the

conduct of the affairs of the enterprise consisted of multiple acts indictable under:

- (a) Title 18, United States Code, Section 1343 (wire fraud, including honest-services wire fraud);
- (b) Title 18, United States Code, Sections 1956 and 1957 (money laundering and money laundering conspiracy);
- (c) Title 18, United States Code, Section 1952 (interstate and foreign travel in-aid-of racketeering); and
- (d) Title 18, United States Code, Section 1512 (obstruction of justice);

and multiple acts involving bribery, in violation of New York State Penal Law Sections 180.03 and 180.08. HAWILLA agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise, the last of which would occur within 10 years of a prior act of racketeering activity.

(Title 18, United States Code, Sections 1962(d), 1963 and 3551 et seq.)

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : 13-CR-602 (RJD)
13-MC-1011

-against- : U.S. Courthouse
Brooklyn, New York

CHARLES GORDON BLAZER :
Defendant : **SEALED PROCEEDING**
November 25, 2013
----- X 10:00 a.m.

BEFORE:

HONORABLE RAYMOND J. DEARIE
United States District Judge

APPEARANCES:

For the Government: LORETTA E. LYNCH
United States Attorney
271 Cadman Plaza East
Brooklyn, New York 11201
BY: EVAN NORRIS
DARREN LaVERNE
AMANDA HECTOR
Assistant U.S. Attorneys

For the Defendant: FRIEDMAN KAPLAN SEILER
& ADELMAN LLP
7 Times Square
New York, New York 10036-6516
BY: ERIC CORNGOLD
MARY E. MULLIGAN
ELIZABETH LOSEY
AND
STUART FRIEDMAN

1 THE DEFENDANT: Yes, I am.

2 THE COURT: Of your own free will?

3 THE DEFENDANT: Totally.

4 THE COURT: Has anybody forced you to plead guilty?

5 THE DEFENDANT: No.

6 THE COURT: Has anybody made a promise to you that
7 is not reflected in this agreement?

8 THE DEFENDANT: No.

9 THE COURT: Has anybody given you any assurance as
10 to what I will do when it comes to sentence?

11 THE DEFENDANT: No.

12 THE COURT: We turn to the charges. Has an
13 allocution been prepared?

14 MR. CORNGOLD: Yes, Your Honor.

15 THE COURT: Why don't we start with that and then we
16 will go from there.

17 MR. CORNGOLD: We have done it count by count.

18 THE COURT: Even better.

19 Mr. Blazer, tell me what you did.

20 THE DEFENDANT: Regarding Count One.

21 From in and about and between 1990 to December 2011,
22 I was employed by and associated with the Federation
23 Internationale de Football Association, commonly known as
24 FIFA, and one of its constituent confederations, the
25 Confederation of North, Central American and Caribbean

1 Association Football, commonly known as CONCACAF, and their
2 sports marketing affiliates.

3 During this time, the principal purpose of FIFA and
4 CONCACAF, as well as other affiliated soccer governing bodies
5 and sports marketing companies, was to promote and/or regulate
6 the sport of soccer worldwide as part of an ongoing
7 organization. Among other things, FIFA and CONCACAF held
8 sports-related events and conducted business overseas and in
9 the United States, including in the Eastern District of New
10 York, and utilized American financial institutions in their
11 banking and investment activities. CONCACAF also had its
12 headquarters in New York.

13 From 1997 through 2013, I served as a FIFA executive
14 committee member. One of my responsibilities in that role was
15 participating in the selection of the host countries for the
16 World Cup. I also served as General Secretary of CONCACAF
17 from 1990 through December of 2011, and was responsible for,
18 among other things, participating in the negotiations for
19 sponsorship and media rights.

20 During my association with FIFA and CONCACAF, among
21 other things, I and others agreed that I or a co-conspirator
22 would commit at least two acts of racketeering activity.
23 Among other things, I agreed with other persons in or around
24 1992 to facilitate the acceptance of a bribe in conjunction
25 with the selection of the host nation for the 1998 World Cup.

1 Beginning in or about 1993 and continuing through the early
2 2000s, I and others agreed to accept bribes and kickbacks in
3 conjunction with the broadcast and other rights to the 1996,
4 1998, 2000, 2002, and 2003 Gold Cups. Beginning in or around
5 2004 and continuing through 2011, I and others on the FIFA
6 executive committee agreed to accept bribes in conjunction
7 with the selection of South Africa as the host nation for the
8 2010 World Cup. Among other things, my actions described
9 above had common participants and results.

10 That is with regard to Count One.

11 THE COURT: All right.

12 Go ahead.

13 THE DEFENDANT: Count Two.

14 Between April of 2004 and May 2011, I and others who
15 were fiduciaries to both FIFA and CONCACAF, in contravention
16 of our duties, I and others, while acting in our official
17 capacities, agreed to participate in a scheme to defraud FIFA
18 and CONCACAF of the right to honest services by taking
19 undisclosed bribes. I and others agreed to use e-mail,
20 telephone, and a wire transfer into and out of the United
21 States in furtherance of the scheme. Funds procured through
22 these improper payments passed through JFK Airport in the form
23 of a check.

24 That is regarding Count Two.

25 Number three.

1 THE COURT: Okay.

2 THE DEFENDANT: Number three.

3 Between December 2008 and May 2011, I and others
4 agreed to and transmitted funds by wire transfer and checks
5 from places within the United States to places in the
6 Caribbean, and from places in the Caribbean to places in the
7 United States. I agreed to and took these actions to, among
8 other things, promote and conceal my receipt of bribes and
9 kickbacks. I knew that the funds involved were the proceeds
10 of an unlawful bribe, and I and others used wires, e-mails,
11 and telephone to effectuate payment of and conceal the nature
12 of the bribe. Funds procured through these improper payments
13 passed through JFK Airport in the form of a check.

14 Regarding Counts Four through Nine.

15 Between 2005 and 2010, while a resident of New York,
16 New York, I knowingly and wilfully failed to file an income
17 tax return and failed to pay income taxes. In this way, I
18 intentionally concealed my true income from the IRS, thereby
19 defrauding the IRS of income tax owed. I knew that my actions
20 were wrong at the time.

21 THE COURT: Repeat that again.

22 THE DEFENDANT: Between 2005 and 2010, while a
23 resident of New York, New York, I knowingly and willfully
24 failed to file an income tax return and failed to pay income
25 taxes. In this way, I intentionally concealed my true income